

The THRESHOLD

WPM Appoints
Jim Dahlgren
President - Page 3



Featured Community: Highland Haus – Page 8

In This Issue

WPM Leadership
pg. 3

Spotlight on Outstanding
Achievement
pg. 4

Volunteer Spotlight
pg. 6

Association Real Estate
pg. 7

Featured Community:
Highland Haus
pg. 8

Multifamily Real Estate
pg. 9

Commercial Real Estate
pg. 10

Maintenance &
Construction Services
pg. 10

Senior Living
pg. 11

About WPM
pg. 12

2018 Long-term Planning and Sustainability

By Mark Caplan



The beginning of each new year is a time to reflect on our experiences and learnings from the past year and commit to the course we've set for the year ahead.

It's difficult to synthesize all that occurred during 2017 - there is much that happened! Generally, it felt like a good year for all of us. Occupancies remained high, however, rent increases became harder to achieve and inflation began to appear in material costs and wage rates. Organizationally, WPM made progress in using technology to increase our associates' productivity and improve the quality of completed work. We increased our investment in training to compensate for a less vocationally-skilled workforce, and we reflected intensely on what it means to be a sustainable management organization.

As we embark on 2018, our organization is determined to find more ways to share our collective knowledge, using our scale as an advantage to create better outcomes. We are committed to implementing the changes that came out of our strategic assessment. We also are resolute and unwavering about continuing to adapt our organization in an increasingly dynamic world. We do all of this on behalf of you, our clients, to ensure our efforts and performance deliver value.

As we strive towards building a long-term, high-reliance organization, we have created a new role and appointed James Dahlgren to President of WPM. Jim's tenure and continued advancement with WPM position him for success in this new role. He will assume responsibility for guiding the company's long-term strategy, acting on behalf of the entire organization. We have also promoted Kristin Peterson to the newly-created position of Vice President of Administration. She will oversee the company's back-office operations, including information technology, information systems and corporate training.

The next generation has arrived. I wish you, them, and us continued success.

A handwritten signature in blue ink, appearing to read "Mark M. Caplan". The signature is fluid and cursive, with a distinct flourish at the end.

Mark M. Caplan, Chairman

Strategic Reorganization Creates New Leadership Positions at WPM

Jim Dahlgren Appointed President

We're pleased to announce that Jim Dahlgren has been appointed President for WPM Real Estate Management. In this newly-created role, he will help guide the company's long-term strategy and manage the overall daily business operations.

We like to say that Jim is a "homegrown" leader. He lives and breathes WPM because he ascended into management from the ground-up. His journey with WPM began as an intern while he was still in college. Upon graduation, he joined the firm full-time as a property manager in the Multifamily Real Estate division and he has taken on increasing responsibilities ever since. Prior to this promotion, Jim served as Vice President and Director of Business Development and was responsible for new business development and corporate marketing for WPM. In 2012, Jim received WPM's Outstanding Achievement Award. He has also served as a leader and mentor to WPM's Volunteer Committee, which plans WPM's annual schedule of charitable events.

"I'm honored to accept this new role," says Jim. "I believe that we are doing important work at WPM and it's my privilege to be part of it. Through WPM, I have a positive impact on the lives of more than 35,000 people every day. I'm proud to work for a company built on the core values of integrity, strength, energy, and excellence. Our clients throughout the region benefit from this commitment and can feel the difference."



Kristin Peterson Promoted to Vice President of Administration

Kristin Peterson has been promoted to Vice President of Administration. In this new role, she will assume responsibility for all the company's back-office operations, including information technology, information systems and corporate training. She will oversee internal communications and serve as a liaison to Human Resources to address corporate-wide operational matters. Plus, she will lead the Executive Advisory Committee (EAC).

Kristin joined WPM in 2007, beginning as Executive Assistant to Len Frenkil in the Multifamily Real Estate division and subsequently moving to take over greater corporate-wide responsibility as Corporate Administrator in 2011.

"Kristin deserves this promotion because it essentially makes official what she's been doing for years: she keeps all of the company's various operations running smoothly," says new President Jim Dahlgren. "Her ability to assess a situation or issue, uncover opportunities for greater efficiency or performance, and establish a plan for improvement is unmatched. If you need a job done well, on time and on budget, Kristin will make it happen."



Spotlight on Outstanding Achievement

Unsung Hero Award



There are people who significantly impact our daily lives and work, often without us even knowing it – flying under the radar,

asking for nothing in return and seldom being recognized for their dedication. WPM's Unsung Hero Award was created to celebrate a WPM Associate who is the personification of teamwork and selflessness. They work tirelessly in support of others, going above and beyond their daily responsibilities to improve the lives of our residents, clients, communities, and fellow Associates.

For 2017, WPM recognized Misti Michalik, Assistant to the Regional Property Managers (RPMs) in the Multifamily Real Estate division. Simply put, Misti gets things done in an amazingly humble, positive way. She is patient. She is proactive. She contributes and sees ideas through to completion. From coordinating events and outings to participating on multiple committees, Misti keeps things on track, never missing a step, and always with a smile. Thank you, Misti, for your continued efforts and unwavering commitment.

WPM Outstanding Achievement Award

Congratulations to Bill Wolf, Director of Information Technology who was awarded the WPM Outstanding Achievement Award at this year's annual awards ceremony. This award is a discretionary honor given by WPM's Executive Management Team only in the years when there is a worthy recipient. The award is presented to an individual or group that exemplifies, at the highest level, WPM's Core Values of Integrity, Strength, Excellence, and Energy, and uses those core values to deliver on our commitment to Performance that Adds Value.

Since joining WPM two-and-a-half years ago, Bill has been instrumental to re-engineering the IT department and has created a customer-focused team. Beyond "keeping the lights on" by ensuring our systems are operating efficiently, he has enhanced how we operate and identified additional ways to add value. Bill and his team have become strategic partners across the organization. Congratulations, Bill!



Shining Star Awards

At our annual awards ceremony in December, we celebrated the contributions of a number of WPM Associates who were awarded the WPM Shining Star Award. These Associates live WPM's core values and are being recognized for their stellar performance in serving our clients. Congratulations!

Association Real Estate

Krystal Knisely, Administrative Assistant
Diane Miskimon, Community Association Manager

Corporate Services and Accounting

Lewis Mindel, Senior IT Service Desk Analyst
Tracey Kobett, Assistant Controller
Noel Kirchoff, A/P Specialist

Lighthouse Senior Living

Veronica Williams-Gray, Wellness Nurse
Crystal Shubrook, Receptionist
Tuana Brannon, LHC Caregiver
Clarence Riddic, LEC Director of Environmental Services

Maintenance & Construction Services

Mike Brinegar, Foreman
Ali Zinnel, Administrative Assistant

Multifamily Real Estate

Cory Wagner, Service Technician
Perry Mathias, Property Manager
Nina Deachilla, Leasing Specialist
Mike Mangum, Service Manager
Pamela Hampton, Assistant Property Manager
Terri Gross, Site Technician

WPM Recognized as a Top Workplace in Baltimore for the Sixth Consecutive Year

Once again, WPM Real Estate Management was recognized in December 2017 as one of the Mid-Atlantic region's premier property management companies and a Top Workplace in the Baltimore area by *The Baltimore Sun*. This is the sixth consecutive year that WPM has been honored in the category of "large-sized workplaces" for its positive work environment and commitment to ongoing employee professional development. We are honored to receive this designation year after year and recognize it is the collaborative spirit and passion of our Associates that drives our culture. Thank you to our Associates for their unwavering commitment to performance.





MMHA Star Awards

WPM Real Estate Management was named 2017 Property Management Company of the Year by the Maryland Multi-Housing Association (MMHA) at the Star Awards event on October 12, 2017. In addition to receiving the region's top honor, WPM was highlighted multiple times throughout the evening. Seven individual WPM-managed communities received awards and recognition, and three WPM employees were honored for their outstanding professionalism and commitment to excellence.

INDIVIDUALS:

Gold Medal Service Supervisor:

Wayne Carter, Wabash & Sequoia Manor

Silver Medal Service Supervisor:

Victor Dantzler, The Charles & Blackstone | Campus Square

Bronze Medal Site Technician:

Terrie Gross, Rosedale Gardens | Franklin Square

COMMUNITIES:

Garden Communities \$1015 and below:

Gold Medal – Wabash Manor

Bronze Medal – Boston Crossing

Garden Communities \$1376 and above

Gold Medal – Riverside Apartments

Elevator Communities \$1460 and below:

Gold Medal – 520 Park

Silver Medal – Hopkins House

Townhome Communities:

Bronze Medal – The Village of Carrollwood

Star Certified Communities – Dunlea Apartments

CPAA Best of Living Awards

WPM Real Estate Management earned several awards at Central Pennsylvania Apartment Association's Best of Living Awards (BOLA) in 2017.



The BOLA awards

recognize excellence in the apartment industry. Congratulations to our Associates and Communities winning the following awards:

1st Place Community – Overall Star Performer: The Overlook

1st Place Community – Marketing & Leasing: The Overlook

2nd Place Community – Maintenance: The Overlook

2nd Place Community – Curb Appeal: The Overlook

1st Place Community – Marketing & Leasing: Greenbriar Estates

1st Place Community – Maintenance: Union Flats

2nd Place Community – Overall Star Performer: Union Flats

2nd Place CPAA Property Manager of the Year –

Perry Mathias, Union Flats

Donna Rolnick Honored with President's Award from Chesapeake Gateway Chamber of Commerce

Congratulations to longtime WPM Regional Property Manager Donna Rolnick who was recognized by the Chesapeake Gateway Chamber of Commerce for her leadership role as Treasurer and the significant impact she's had on the growth and success of the Chamber over the past two years.



At the Chamber's annual dinner at Martin's East on January 24, 2018, Maryland Governor Larry Hogan presented Donna with the prestigious President's Award along with a Governor's Citation, recognizing her dedicated service to the Chamber.

"I had no idea this was coming and was completely surprised at the event," says Donna. "It is a great honor and I'm grateful to have the support of WPM's leadership and their commitment to investing in Associates that serve in the community."

While the past two years have been challenging as the Chamber has re-established its role in the region, Donna notes that they are starting to see impact. There is a lot of work going into upgrading the Eastern Avenue corridor. "Collectively, we're doing good things and seeing growth," explains Donna. "It's great for business and for the community." Please join us in congratulating Donna on this recognition!

Volunteer Spotlight

2017: A Year of Giving in Review

At WPM, one of the best ways we live out our core values is through the many ways we serve the community every year. Read on to learn how our acts of service benefitted the Baltimore area in 2017 and get a sneak peek at what's in store for 2018.

JANUARY - "Necessities" Drive

WPM kicked off 2017 with a challenge to our community to donate a variety of unused "necessities," such as socks, toothpaste, and other toiletries. This drive was very successful with several of our properties participating. A carload of boxes was delivered to Sarah's Hope at Hannah Moore in Reisterstown.

FEBRUARY - United Way Campaign

Each year, WPM participates and promotes giving to the United Way through campaigns, encouraging all Associates to give a 1% contribution or more to UWCM or an organization it supports. Last year, WPM raised more than \$31,000 for United Way of Central Maryland!

JUNE - Exeter Gardens

WPM Associates gathered in Exeter Gardens in downtown Baltimore to build a fence and plant fruit, vegetables and flowers and beautify what was formerly a vacant lot. The team deserves kudos for coordinating the time, people, tools, equipment, and food and drinks necessary to pull it off—especially as temperatures soared above 100 degrees on cleanup day!

AUGUST - School Supply Drive

WPM's properties and their residents gathered hundreds of school supplies to share with underprivileged students from schools in our community. More than two dozen large boxes of supplies prepared local students for success in school.

OCTOBER - Alzheimer's Walk

The Alzheimer's Association Walk to End Alzheimer's® is the world's largest event to raise awareness and funds for Alzheimer's care, support and research. Lighthouse Senior Living at both Hopkins Creek and Ellicott City participate each year. In 2017, WPM corporate walked alongside them at Canton Waterfront Park to raise more than \$2,000!

NOVEMBER - Food Drive

Benefitting Beans & Bread of Baltimore, WPM's Associates collected several barrels-full of food, providing a healthy meal to families across the city just in time for the holidays. In addition, 20 donated their gifted Thanksgiving turkeys (compliments of WPM) to the Food Drive.

DECEMBER - TOY DRIVE

It was another successful holiday season for WPM's Toy Drive! WPM Associates and the residents living in our properties donated a total of 96 dolls, games and toys to Toys for Tots to help the children in our communities enjoy a bright holiday season.



PREPARED TO CARE IN 2018!

In addition to the annual schedule of service outlined above, WPM's volunteer committee is hard at work planning more projects for 2018.

This spring, WPM will collect and package food to benefit the Baltimore Hunger Project, which provides food packages to children identified as food insecure, bridging the gap between Friday and Monday when they are not in school and may not have access to food. This summer, WPM will partner with the Irvine Nature Center, a hands-on learning center for kids and adults, to build a "Hodge Podge Lodge."

Stay tuned for more details about these exciting projects!

Ashland HOA Celebrates 30 Years

Last spring, nearly 100 residents from Ashland at Hunt Valley HOA gathered in a common area near the NCR trail to celebrate their community's 30th anniversary. Over picnic cuisine catered by Santoni's, a local barbecue joint, residents enjoyed live music performed by local artists Kat and Lyle Montayne, played games, and reminisced with old friends and met new ones. There was even a craft table set up for the kids.

"It was a great time," said WPM Community Association Manager Eliane Muniz. "We had an overwhelmingly positive response. It was a wonderful celebration."

Perhaps that's because Ashland has plenty to celebrate. This close-knit neighborhood of 110 townhouses and single-family homes is nestled in a wooded section of Baltimore County on a site that boasts a storied past. In the nineteenth century, it was the location of Ashland Iron Works – one of the largest pig iron sites in the country. (Pig Iron got its name because it uses a mold that resembles the shape of a sow with suckling pigs.) At the height of production during the Civil War era, Ashland Iron Works employed more than 200 workers and produced at least 50 tons of iron per day. The advent of the Bessemer steel process eventually brought a halt to iron production and Ashland Iron Works closed for good in 1884. But Ashland's important position in history is preserved thanks to the renovated 1860s buildings that still stand on Ashland Road, including the general store, post office, iron works office, stone row and school house.



Making Connections: Who do you know?

WPM's Association Management business is built by cultivating relationships with homeowners and board members. New clients often are identified through referrals from individuals who are familiar with the value we bring to our clients. Do you know a community that could benefit from WPM's guidance, expertise and professionally-trained staff? We're looking for opportunities to help other homeowners and association boards and would welcome an introduction.

Know someone? Contact Barry Yatovitz at byatovitz@wpmllc.com or (443) 796-7405.

Featured Community: Highland Haus



Highland Haus is Hot!

For those who embrace city living, Highland Haus is the perfect home. Located just a few blocks from Patterson Park and Canton Square at 3232 Eastern Avenue, this 5-story building features 65 apartment homes and boasts a long list of amenities, including garage parking, a state-of-the-art fitness center and a rooftop clubhouse. Highland Haus is ideal for dog-lovers, too, given its easy access to the Park, plus a rooftop outdoor green space, a separate dog walking terrace and a pet washing station.

Each luxury apartment features high-end finishes such as quartz counters, brushed nickel fixtures and ceramic tile floors. Many of the units offer spectacular views of the city skyline, through oversized floor-to-ceiling windows. Most of the apartments also have a deck, providing the option for private outdoor living.

With so much to offer, it's no wonder that Highland Haus is hot! The first residents moved in just last October, yet the property is already 75% leased.

"The location makes this a really popular community," explains WPM Property Manager Shonda McDowell. "Residents have access to a variety of restaurants, the Park and the waterfront—all just a few blocks away. For those who want an active lifestyle, Highland Haus is a great fit."

While the community basically "sells itself" once people hear about it, Shonda and her team have been hard at work making sure that they do hear about it! They deserve credit for the property's impressive lease-up activity. Through booths at Patterson Park's many festivals, lunches delivered to local businesses, outreach happy hours and even conversations with the PTA at the neighborhood's charter school, the Highland Haus leasing team is making sure to tell everyone about this premier opportunity for active city living.

To learn more about Highland Haus, contact the leasing office at 443.461.4455 or visit the community website at www.highlandhaus.com.

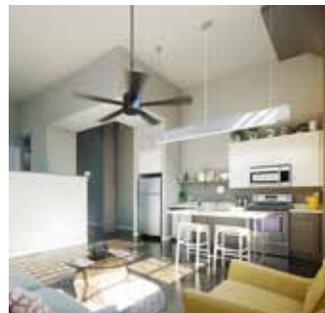


The Fox Building in Hamden Combines Market Rate Apartments with Artist Studios

Located in Baltimore City's artistic and dynamic Hampden neighborhood, The Fox Building has a rich industrial history. Built in 1920, it was the original factory and home of Noxzema - often touted as "the miracle cream of Baltimore" - and more recently housed Fox Industries.

Today, this adaptive re-use development is transforming the factory into a mixed-use community with 93 market-rate apartments and 5,000 square feet of artisan studios. The residential piece will include Studio, 1- & 2-bedroom apartment homes with polished concrete floors, modern kitchens and baths, high ceilings and oversized windows. Amenities for the community include onsite parking, a heated swimming pool, state-of-the-art fitness center, resident lounge, game room and more. First delivery is expected in June of this year, with residential pre-leasing beginning in early March. Final delivery and construction completion is expected this summer.

Hampden is a community with a deep-rooted history of artists and artisans. As part of this redevelopment, The Fox Building will offer clean, well-managed live-work spaces for artisans: 24 studio spaces ranging from 113 to 254 square feet and four live/work studios from 800-1129 square feet. For leasing information visit www.thefoxbuilding.com.



Union Flats Phase 2: Now Leasing!

The team at Union Flats continues to knock it out of the park, with the first building in Phase 2 being fully pre-leased when it delivered on February 15, 2018. Nearly 40% of the remaining units in this phase of development have also been pre-leased.

"In many cases, there's not a break in between construction phases like we have had with this community," notes Property Manager Perry Mathais, "It can make it a little more challenging. We've been successful in engaging with the community and area businesses, employing feet-on-the-street guerrilla marketing tactics to re-generate interest and keep Union Flats top of mind." Senior Leasing Consultant Stephanie Rhodes also attributes the success at Union Flats with their community-based outreach efforts including raising money for the Central Pennsylvania's Cystic Fibrosis Foundation, participation in local community-sponsored events and cross marketing partnerships with local businesses.

This second phase of the community includes 96 one- and two-bedroom apartment homes across four new buildings. The remaining three buildings are slated to deliver in March, April and May of 2018, respectively. In addition to existing community amenities that include a dog park, state-of-the-art fitness center, yoga/cardio studio, clubhouse with fireplace and free wi-fi, full-service business center, billiards room, and resort-style salt water pool, a new playground area and an additional 20 detached garages are set to come online with the completion of Phase 2. For more information visit www.unionflatspa.com or call the community directly at 717.458.2000.



MDG Corporate Centre 100 Condominium, Inc. Activates Plan for Renovations

Built in 2005 and located off Park Center Drive and Route 100 in Columbia, Md., MDG Corporate Centre 100 Condominium is embarking on a multi-year approach to renovations.

Since assuming management of the property in 2015, WPM's Commercial Real Estate division has been working with the Board to establish a forward-looking plan for upgrades. The goal - ensure the property maintains its value and proactively plans for upgrades and modifications that will continue to position it competitively in the regional market.



The first phase of upgrades was approved by the Board last year and is forecast to be completed in July 2018. Renovations include new carpeting and wall covering, as well as digital video recording upgrades to the exterior of the building. Additionally, WPM has transitioned interior lighting to LED fixtures, resulting in significant annual energy savings. Future renovations and upgrades will include changes to the main lobby, HVAC system upgrades, and interior design updates to the bathrooms.

With thirty-one (31) units and a total of 46,418 square footage, MDG provides Class-A office space with convenient access to both Baltimore and Washington, DC, and houses offices for various types of businesses including: legal, financial, dental and engineering. A new restaurant on the first-floor is slated to open later this year.

Energy Savings for Fairwood Office Park

Ever wondered about the impact of replacing interior and exterior lighting fixtures with new LED versions? Not only is it environmentally friendly - it can create substantial cost-savings.

WPM worked with Constellation Energy to help Fairwood Office Park in Annapolis replace the more than 1,400 light fixtures in its two buildings with LED lighting estimated to create over \$30,000 in annual savings for the Association. By financing the project with these savings, the Association incurred no out-of-pocket expense upfront and will realize 50% of the estimated savings in each of the first two years, with 100% of the savings being applied to the account thereafter. If you haven't considered making this change, ask your CRE manager how your Association could benefit!

Maintenance & Construction Services

Frigid Air Leads WPM to Respond to Frozen Pipes this Winter



This winter has been a cold one. Temperatures have hit single digits even before the bitter wind chill factor! With frigid weather comes the risk of frozen pipes bursting, causing properties to deal with water damage and clean up.

WPM's Maintenance and Services team has responded to 5 major and 20+ minor pipe breaks since early December. Our team has been on call 24/7 responding quickly and working diligently to stop further damage, assess the impact, make and manage repairs and even help finalize insurance claims. In many cases, the broken pipes were a result of owners leaving the heat turned off in the unit or pipes that were not properly insulated. Check out our "Tips for Protecting Your Pipes" to help you protect your property and avoid a break.

Tips for Protecting Your Pipes

Frozen pipes can cause breaks and significant water damage. Here are a few tips from WPM's Maintenance and Construction Services team to help avoid pipe problems before they become far more costly.

- Be sure that your heat is on, and set no lower than 60 degrees.
- If you are leaving for an extended period of time during the winter, completely turn off all systems that use water - this includes the washing machine, dishwasher, hot water tank and ice maker. Consider turning off your water supply completely.
- Have your heating system serviced regularly by a certified HVAC company to ensure it is functioning properly.
- Drain and winterize any hose bibs that lead outside before freezing temperatures hit.
- Trust but verify. If you hire someone to look after your property, be sure they are checking in. Have a back-up person, just in case.
- Be an alert neighbor. If you know a neighbor is out of town and temperatures are getting cold, alert your property or community manager. They may be able to check in with the owner or even check the unit to ensure the heat is on and working properly.

Ellicott City Honors Veterans

This past November, Lighthouse Ellicott City hosted a Veteran's Day celebration as spectacular as the 17 heroes it aimed to celebrate. The event opened with a performance of The National Anthem, followed by a reading of "A Veteran's Day Blessing." Lighthouse Ellicott City Executive Director Amanda O'Neill provided opening remarks and then turned over the mic to several prominent speakers who thanked the honorees for their bravery and sacrifice.

A high point of the afternoon was a Veterans Pinning Ceremony conducted by the Maryland Army National Guard. The true stars of the event—each of the 17 Lighthouse residents and staff — were recognized by name and given commemorative plaques acknowledging their service.

The ceremony culminated in a rousing patriotic performance by the *Fabulous 50+ Players*, a community ensemble comprised of fellow seniors.

"This was really outstanding," said Beverly Weiss, a former Captain in the U.S. Air Force and a current Lighthouse resident.

Fellow resident Arlene Nagel agreed, "It was lovely. That entertainment was terrific."

Retired Coast Guard Commander Reed Kohberger, who presented the "Veteran to Veteran" address, reminded attendees that Lighthouse's celebration was "just one small spark in the flame of pride that burns across our nation today. It is a way for all to say, 'We remember you and what you did.'"



Family Fun at Hopkins Creek

Last November, Lighthouse Senior Living at Hopkins Creek hosted a rousing night of family fun. More than 100 guests attended and noshed on appetizers, imbibed sangria and grooved to live entertainment. One-man swing band Helmut Licht was on hand to perform his blend of songs through the ages. Down the hall, guests enjoyed the soulful crooning of jazz singer Julie Hall.

"It was a lot of fun!" raved Lighthouse at Hopkins Creek Executive Director Beth Greaves. "We got a much bigger response than we expected, so this really turned into quite the party! It was the perfect opportunity for guests to spend quality time with their loved ones before the Holiday hustle started ramping up. I think everyone had a great time."



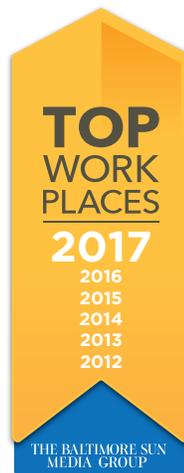
The THRESHOLD

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About WPM Real Estate Management

WPM Real Estate Management is an Accredited Management Organization® (AMO®) providing a full suite of property management services for over 19,000 units and 36,000 people throughout the Mid-Atlantic region. While maintaining a large portfolio of commercial, industrial, and retail properties, WPM is one of Baltimore's largest residential property managers, boasting an extensive portfolio of multifamily, condominium, senior housing, student housing and homeowner association communities.

Our leadership team has years of experience both as owners and as managers of residential communities and commercial properties. It is that experienced owner's perspective and our management style to proactively identify issues and opportunities that ensures our actions and decisions add value for those living, working or investing in the properties we manage.



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